hardly tell you that, in judging of a work like this, the direct return is by no means the only, or even the chief thing to be taken into consideration. There is a practically unanimous concensus of opinion on the part of all officers, both of the Revenue and Public Works departments, who have had to deal with the project, that the work will be valuable as a protective one. I take this opportunity to mention that, till the Kodayar works are completed, the policy of Government will be to restrict their other public works expenditure as much as possible to the maintenance of *existing* buildings and communications. Government are aware that the state of communications in North Travancore compares unfavourably with that in the South, but, in the present state of the public finances and with the Kodayar works on hand, it will not be possible to spend much on new works anywhere.

15. Railways.— The Railway from Shencottah to Quilon continued, I am sorry to say, to work at a loss. To make good the guaranteed interest on account of it, Government paid out of its revenues a sum of Rs. 2,42,525 during the year, as against Rs. 2,22,694 in the previous year.

Government are aware that there is a large volume of public opinion in favour of extending the railway both to the north as well as to the south. The question will receive careful consideration, but it may at once be said that the experience we have so far had of railway extensions on the west coast has not been quite favourable. The Shoranur-Cochin Railway, which was originally estimated to cost about 50 lakhs of rupees, cost the Cochin Darbar in the end about 68 lakhs, with the result that the net return on the outlay incurred is less than 3 per cent. per annum. Again, on account of the Shencottah-Quilon Railway, the Travancore Government is paying over 2 lakhs of rupees per annum to make good the guaranteed interest of that line. You are aware that our financial condition is not quite what it should be. We have had recurring deficits for a series of years. The Kodayar Project would still require about 15 lakhs according to the latest information before us; and from past experience Government would not at all be surprised if this figure is considerably exceeded. In view to all these circumstances, Government are of opinion that no fresh financial liability should be undertaken except after very careful enquiry. Government sympathise with the wish so generally expressed for railway extension and they recognise that the indirect advantages of opening the country must also be taken into consideration in addition to the direct return which a new line may give on the capital expended in constructing it. The matter will receive careful consideration and enquiries will be made and information collected to enable Government to judge of the feasibility in the first instance of connecting Trivandrum with the Shencottah-Quilon line at some suitable station. But it must be distinctly understood that no action will be taken unless Government feel reasonably certain that the proposed line will pay.

16. Anchal.— The total number of anchal offices rose from 150 to 157, and the total number of communications carried, from about 56 lakhs to nearly 64 lakhs. Money-order business was done at 97 of the anchal offices and the amount transmitted exceeded 11 lakhs of rupees. The value payable system was for the first time introduced during the year.

17. Devaswoms and Oottupuras.— The total expenditure on account of religious institutions during the year was Rs. 9,01,779 as against Rs. 7,16,047 in

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the previous year, and on account of charitable institutions Rs. 5,10,522 as against Rs. 4,09,975. The total on both accounts was Rs. 14,12,301, as against Rs. 11,26,022. The increase of Rs. 2,86,279 was almost wholly due to the conversion into money of taxation in kind, already referred to by me. The matter requires a little explanation. Previous to the abolition of taxation in kind, a portion of the land revenue was collected in the shape of paddy. The value of this paddy was receipted in the Sirkar land revenue accounts at 6 chs. per para, that being the old commutation rate. The paddy was issued to the Devaswoms and Oottupuras at the same rate of 6 chs. per para; in other words, when paddy was issued to these institutions, the institutions were debited with the value of the paddy supplied, calculated at 6 chs. per para. When Government resolved to abolish taxation in kind, the question of the rate at which the conversion should be made was anxiously considered, and in view to the fact that, since the commutation rate was fixed, the price of paddy had so considerably risen, it was resolved to fix the rate of commutation at 11 chs. per para. The result was that the paddy which, antecedent to the conversion, went into the land revenue accounts as a receipt at 6 chs. per para, has since the conversion been going into the same account at 11 chs. per para, and in consequence there has been an enhancement of the land revenue demand by over 2 lakhs of rupees. This has been already referred to. Another consequence of the change has been that the Devaswoms and Oottupuras, which hitherto have been getting their supply of paddy at 6 chs. per para, have to buy the same in the open market at about thrice the old rate and, in consequence, the expenditure of these institutions has risen by nearly three lakhs of rupees. I mention these circumstances in detail, as Government are anxious that it should not be supposed that there has been any sudden development in the expenditure on the religious and charitable institutions now maintained by them. The whole question of these institutions is being carefully enquired into by one of our most reliable officers and, till his report is received and considered by Government, a discussion in regard to these institutions will, in the opinion of Government, be premature.

18. Excise.—Under the head of Excise come Abkari, Tobacco, Opium and Ganja revenue. There was no alteration of system in any of these branches of revenue during the year. The total excise revenue rose from Rs. 19,64,223 to Rs. 21,38,184. The increase was roughly Rs. 1¾ lakhs.

19. Salt.— The salt consumed in Travancore is partly manufactured within the State, partly imported from Bombay and a very small quantity also comes from Tuticorin. It has been the aim of the Department to encourage salt manufacture within the State and popularise the home-made salt; but it has to be remembered that nearly 70 per cent. of the salt consumed in Travancore comes from Bombay. This cannot be helped, as throughout North Travancore the inclination of the people is for the foreign article. The total quantity of salt which went into consumption during the year was a little over 8,65,000 maunds, as against 8,21,000 maunds in the previous year. Notwithstanding, however, the increased consumption, the salt revenue fell from Rs. 13,53,523 to Rs. 12,02,081. The fall of about a lakh and half of rupees was due to the reduction of the duty from Rs. 1½ to Re. 1 per maund.

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